

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

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In re : Chapter 9
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CITY OF DETROIT, MICHIGAN, : Case No. 13-53846
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Debtor. : Hon. Steven W. Rhodes
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NOTICE OF ACCEPTANCE OF TENDER

PLEASE TAKE NOTICE THAT:

1. On August 11, 2014, the City of Detroit (the "City")¹ filed the Motion of the Debtor for a Final Order Pursuant to (I) 11 U.S.C. §§ 105, 364(c), 364(d)(1), 364(e), 902, 904, 921, 922 and 928 (A) Approving Postpetition Financing and (B) Granting Liens and (II) Bankruptcy Rule 9019 Approving Settlement of Confirmation Objections [Docket No. 6644] (the "Motion").

2. As more fully described in the Motion, on August 7, 2014, the City, acting through the DWSD, launched the Tender for all Existing DWSD Bonds. The material terms of the Tender, including the conditions precedent to the

¹ Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

closing of the transaction, are described in the Motion and the Tender Invitations attached as Exhibits 8A and 8B to the Motion.

3. The period to tender Existing DWSD Bonds closed at 5:00 p.m. (Eastern Time) on August 21, 2014 (the "Tender Expiration Date").

4. As of the Tender Expiration Date, Existing DWSD Bond holders tendered \$1,467,670,000 of Existing DWSD Bonds, representing approximately 28% of the total Existing DWSD Bonds outstanding, and approximately 44% of the Existing DWSD Bonds that were impaired under the Fifth Corrected Plan of Adjustment.

5. In its discretion, the City has determined that a sufficient amount of Existing DWSD Bonds have been tendered to achieve economic savings acceptable to DWSD and the City.

6. On August 22, 2014, the DWSD Board of Water Commissioners and the Emergency Manager authorized the City's acceptance of the Tendered Bonds.

Dated: August 22, 2014

Respectfully submitted,

/s/ Heather Lennox

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ATTORNEYS FOR THE CITY

CERTIFICATE OF SERVICE

I, Heather Lennox, certify that the foregoing Notice of Acceptance of Tender was filed and served via the Court's electronic case filing and noticing system on this 22nd day of August, 2014.

/s/ Heather Lennox

Heather Lennox